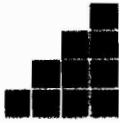


APPENDIX O
MAGNET SCHOOL FISCAL IMPACT ANALYSIS



Technical Memorandum

FISCAL IMPACT ANALYSIS ***East Hartford- Glastonbury Magnet School*** **Rentschler Field Development, East Hartford, CT**

Prepared Under Contract to:

BAYSTATE ENVIRONMENTAL CONSULTANTS

For:

STATE OF CONNECTICUT
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

By:

AMS CONSULTING, LLC.
Lafayette Square
350 Fairfield Avenue
Bridgeport, Connecticut 06604

April 23, 2006

TABLE of CONTENTS

DEFINITION & PURPOSE OF THE ASSIGNMENT.....	3
<i>Purpose</i>	<i>3</i>
<i>Assumptions</i>	<i>3</i>
<i>Background.....</i>	<i>4</i>
 PROJECT DESCRIPTION – NEW EHGEMS SCHOOL.....	 6
 CURRENT EHGEMS FACILITY – OPERATIONS.....	 7
 PROJECTED COSTS & REVENUES – NEW EHGEMS.....	 9
<i>Land and Construction Costs.....</i>	<i>9</i>
<i>Tuition –East Hartford</i>	<i>9</i>
<i>On-Going Building Operations Expenditures</i>	<i>9</i>
<i>Lost Tax Revenue</i>	<i>9</i>
<i>Net Annual Gain/Loss to East Hartford.....</i>	<i>9</i>
 CONCLUSIONS	 10
 APPENDIX.....	 11
Copy of EHGEMS Construction Budget	
Copy of Existing EHGEMS Operational budget	

Definition & Purpose of the Assignment

AMS Consulting (AMS) was engaged by Baystate Environmental Consultants (BEC) and the State of Connecticut Department of Economic Development (DECD) to assess the fiscal impact to the Town of East Hartford associated with the development of a new 65,000 square foot East Hartford-Glastonbury Elementary Magnet School (EHGEMS). The new school is to be located on 14 acres of land currently owned by UTC.

Purpose

The purpose of the assignment is to provide an independent analysis of the current costs and revenue stream of the present EHGEMS facility located in a wing of the Barnes Middle School in East Hartford and projected public costs and revenue with the construction of the new facility. Based on this analysis, an estimate is provided on the net fiscal impact projected for the Town of East Hartford for this development.

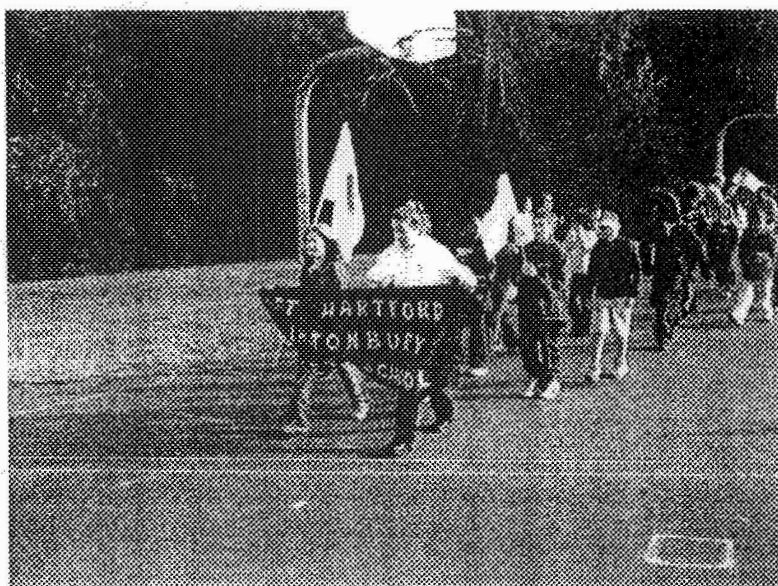
Assumptions

A number of assumptions were made with respect to this study. They include the following:

- All estimates of costs and expenses are presented in current dollars.
- The new East Hartford-Glastonbury Elementary Magnet School would be wholly owned by East Hartford and the Town would be responsible for buildings care and maintenance as well as transportation for students.
- CREC would pay in rent to the new building the same proportionate amount to building expenses that it currently pays in the existing building.
- For this study, net fiscal impact considers any financial gain that comes to the Town with full continuance of its Educational Cost Sharing (ECS) entitlement share irrespective of students attending the interdistrict magnet school where more than two thirds of the cost is also supported by the State. In this analysis, this is determined by the per capita ECS share net the annual tuition per student to the magnet school.
- It is assumed that per student contribution by the Town of East Hartford to the new EHGEMS will be \$2,000.
- It is further assumed that the per capita ECS contribution from the state to East Hartford will average \$4,496 based on 2005-2006 entitlement.

Background

The East Hartford-Glastonbury Elementary Magnet School is an interdistrict school that first opened in 1991 representing one of the first cooperative magnet schools in the Greater Hartford region. The school evolved from a 1988 Connecticut Department of Education report calling for integration in schools through interdistrict cooperation. Interdistrict school in this sense defines a program that supports racial, ethnic, and economic diversity and offers a special and high quality curriculum



EHGEMS is a public school with students admitted on a lottery basis due to a current waiting list of 590 children from East Hartford alone. On-going funding of operations for EHGEMS comes from a combination of sources that includes state and town annual contributions and federal grants. Overall responsibility of the school's program resides with East Hartford and Glastonbury Boards of Education, but fiscal and personnel matters, including hiring of certified staff, are managed by Capitol Region Education Council (CREC). CREC is one of six Regional Educational Service Centers established under state statute which permits local boards of education to create a "public educational authority", in this case a RESC, for the purpose of planning, promoting and managing cooperative delivery of educational programs and services that leads to desegregation. CREC both assists the State of Connecticut Department of Education in planning and implementation efforts and serves 35 school districts in the Greater Hartford region and manages 9 interdistrict magnet school programs including two in East Hartford (Two Rivers Magnet School being the second). CREC is governed by publicly elected officials who serve on the boards of the 35 school districts.

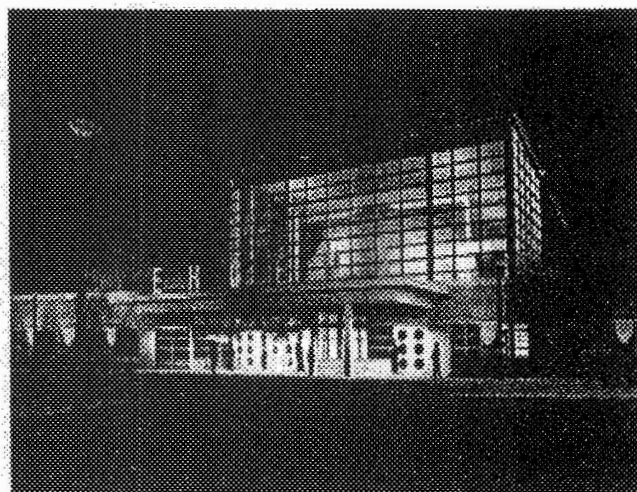
The East Hartford - Glastonbury Elementary Magnet School serves children in Kindergarten through fifth grade with a curriculum that emphasizes science, technology, and global education. Presently the school is housed in a wing of the O'Connell Middle School on May Road in East Hartford in space estimated at 29,300 sf. According to the principal of EHGEMS, the school has 20 certified teachers and 249 students. Total capacity for the school is 258 students. The present geographic ratio of students at EHGEMS is 135 from East Hartford and 114 from Glastonbury. East Hartford is at their limit in terms of number of students at EHGEMS without losing state share (the latter is built in incentive to keep school fully integrated). A recent feasibility study determined

that the current facility is inadequate for meeting the educational mission and goals of the school which led in part to the planning of a new school. The new school also responds to a stipulated court order agreement arising from the state's Sheff vs O'Neill desegregation lawsuit calling for remedies to address segregation and "educational inequities" that currently exist in Hartford public schools.

In terms of participation, school district participation in interdistrict magnet schools is purely voluntary although there is a built-in incentive with districts continuing to receive the Educational Cost Sharing Funds (ECS) from the state for the students who do attend, thereby reducing net cost per pupil to the town. For East Hartford this is significant with ECS at \$36 million but is less so for wealthier suburban districts such as Glastonbury where ECS is \$3.9 million.

Project Description – New EHGEMS School

The new East Hartford – Glastonbury Elementary Magnet School is to be located on 14 acres in the Rentschler Field Development. The school is designed to accommodate approximately 435 students at grade levels ranging from pre-K to grade 5. The building is approximately 65,000 square feet or more than double the size of the present facility. One of the key components of the school is a planetarium of which only two other s exist in the state of similar scale: Talbot Research Science Center in West Hartford and UCONN. The 55-foot diameter planetarium is designed to not only support a science curriculum but also support studies in the arts, music, language and mathematics.



Other specifics of the project are as follows:

- Projected geographic mix of students: East Hartford (150), Glastonbury (150), Hartford (60), Other (25), 48 pre-school (same ratio as K-through 5).
- Planetarium globe anchors a lobby that includes general office area, cafeteria and science classrooms.
- 21 general classrooms with integrated science
- Global studies classroom
- Science project room and discovery area
- Separate Art and Music education room. Art space will include a kiln room.
- Early Childhood center
- Elementary sized gymnasium
- Enclosed courtyard, exterior classrooms
- Media Center and library.
- Personnel will include 50 certified personnel and staff support.

CURRENT FACILITY – OPERATIONS – Cont'd

Cost to East Hartford (Per EH Board of Education)

Tuition – 2006 (141 students)

ECS Contribution - \$4,496*/student	\$633,936
<u>Less Tuition \$2,000/student – 141 students</u>	<u>\$282,000</u>
Net Balance	\$351,936

Operational Expenses - East Hartford

Utilities:	\$62,000
Custodians (2)	\$117,639
Misc. Pers. Costs	\$ 4,096
Grounds & Building	\$ 88,000
Transportation	\$120,000
Total	\$391,735

<u>Less Annual Rent provided by CREC</u>	<u>\$160,000</u>
Net Annual Expense	\$231,735

Net Annual Gain to the Town of East Hartford: \$120,201**

* ECS contribution based on \$34,849,510 to East Hartford – 2005-2006

** (Calculated as follows: \$351,936 – \$231,735)

Projected Costs & Revenues – New EHGEMS

Land and Construction Costs

According to CREC (April 2006), the projected cost of the new East Hartford-Glastonbury Magnet School is estimated at \$32,822,649. This includes the cost of site acquisition of 14 acres of land.

The total cost for land acquisition and construction of the school will be reimbursed by the state.

Tuition –East Hartford (150 students)

ECS Contribution - \$4,496*/student	\$674,400
Less Tuition \$2,000/student – 150 students	\$300,000
Net Balance	\$374,400

On-Going Building Operations Expenditures

Although the projected overall budget for the new 65,000 sf school is not known at this time, based on discussions with the East Hartford Board of Education, estimates have been made as to the likely building and maintenance expenditures that would be assumed by East Hartford.

Utilities:	\$110,000
Custodians (3)	\$173,117
Grounds & Building	\$150,000
Transportation	\$120,000
Total	\$553,117
CREC – Annual Rent**	\$226,777
Net Annual Operating Expense	(\$326,340)

*Today's dollars

** Based on same proportion of rent now provided at existing building

Other in-kind and out of pocket expenses that are unknown at this time but could be incurred include Special Education programs and care, special handicap access equipment or transportation, and any additional tools and equipment needed to accommodate maintenance and care of new school.

Lost Tax Revenue (conversion of private land to public)

14 acres @ assessment of \$35,000/acre (\$20,256)

Net Annual Gain/Loss to East Hartford **\$27,804 - (\$374,400 – (\$326,340 + \$20,256))**

Conclusions

The purpose of this analysis was to estimate the potential fiscal impact to the town of East Hartford associated with the construction and on-going operation of a new East Hartford-Glastonbury Elementary Magnet School. A number of assumptions were made including considering any financial gain that comes to the Town with full continuance of ECS entitlement share now in place irrespective of students attending the interdistrict magnet school where more than two thirds of the cost is also supported by the State.

We were also able to estimate through discussions with officials at the East Hartford Board of Education the potential operating costs of the new building. Further consideration was also made on the loss of property tax revenue associated with the 14 acres that would be taken off the private tax roll.

Based on this analysis, the following conclusions can be made on fiscal impact.

1. There is no cost to the Town of East Hartford, or other participating school districts for site acquisition and construction of the planned 65,000 square foot facility. Essentially East Hartford is a beneficiary of a new school for 150 students, now budgeted at \$32.8 million without assuming any public costs for its construction.
2. Due to the fact the town maintains full entitlement to ECS, the net gain for sending students to the new East Hartford-Glastonbury Elementary Magnet School is estimated at \$374,400.
3. The net annual operating costs would be \$326,340.
4. Lost tax revenue from private land converted to public use is estimated at \$20,259 annually.
5. Based on the above, it is expected that East Hartford would realize a slight net gain of \$27,804 annually. This annual amount however is likely to be absorbed by in-kind services expected to be rendered at the new school including health and special ed services. This would suggest that for East Hartford, from an expense perspective, the project is close to break-even.

Appendix

East Hartford Glastonbury Elementary Magnet School
Project Master Budget

Summary

Construction Document Budget

Updated for start of construction November 2006

A Item No.	B Description of Work	C Budget Provisions	D Budget Adjustments	E Revised Budget	F Contracts/ Purchase Orders	G Provision for Anticipated Costs	F Total Project Costs	G Variance (over)
1	Construction Costs							
1a	Trade Contracts	\$22,287,329						
	Cost of construction escalation	Included above						
1b	Construction General Conditions	\$1,150,000						
	Sub-Total	\$23,437,329						
2	Design & Construction Contingencies	\$1,500,000						
3	Professional Fees							
3a	A/E Basic Services	\$2,303,500						
3b	A/E Reimbursables	Included above						
3c	Special Consultant Services	\$1,725						
3d	Construction Manager	\$888,081						
3e	Program Management	\$485,944						
	Sub-Total	\$3,679,250						
4	Site Acquisition	\$364,450						
5	FF&E, Technology, Other Systems							
5a	Fixtures, Furnishings & Equipment	\$1,211,690						
5b	Technology (Computers, media, printers, etc)	Included above						
5c	Specialized Equipment	\$2,150,000						
5d	Telephones, related equipment	Included above						
5e	Security System	Included above						
	Sub-Total	\$3,361,690						
6	Other Costs							
6a	Graphics, Model, Marketing	\$0						
6b	Third Party Structural Review	\$0						
6c	Environmental Testing	\$0						
6d	Special Inspections, Commissioning	\$0						
6e	Owner's Builders Risk Insurance	\$0						
6f	Financial/Legal/Other Costs	\$0						
6g	Printing, Mailing, Advertising	\$0						
6h	All of the above	\$479,930						
	Sub-Total	\$479,930						
7	Project Cost Estimate	\$32,822,649						
8	SDE Grant	\$27,724,450						
9	Project Contingency	(\$5,098,199)						

East Hartford-Glastonbury Elementary Magnet School						
Two-Year Budget Comparison						
Acct	Description	2004-2005	2004-2005	2005-2006		
Num		Approved	Revised	Budget	1 year	
		Budget	Budget	Request	change	% change
10100	Certified Salaries	\$1,224,766	\$1,215,266	\$1,299,469	\$84,203	6.93%
12200	Paraprofessional Salaries	\$104,832	\$104,832	\$74,663	-\$30,169	-28.78%
12300	Support Staff	\$107,398	\$107,398	\$115,245	\$7,847	7.31%
13900	Substitutes	\$20,191	\$20,191	\$8,500	-\$11,691	-57.90%
22000	FICA	\$35,933	\$35,933	\$34,021	-\$1,912	-5.32%
25000	Unemployment	\$9,092	\$9,092	\$9,287	\$195	2.14%
21010	Health Insurance	\$198,560	\$198,560	\$213,760	\$15,200	7.66%
26000	Worker's Compensation	\$13,931	\$13,931	\$17,975	\$4,044	29.03%
27000	Retirement Insurance	\$5,102	\$5,102	\$5,697	\$595	11.66%
31110	CREC Admin. (2.5%)	\$52,946	\$25,525	\$26,691	\$1,166	4.57%
31210	CREC Coord. (2.5%)	\$0	\$25,526	\$26,691	\$1,165	4.56%
31400	Computer Services (WAN)	\$32,000	\$32,000	\$48,600	\$16,600	51.88%
31500	Management Services			\$28,375	\$28,375	
32000	Prof/Ed. Consultant	\$2,000	\$0	\$0	\$0	
32200	Staff Training External	\$6,000	\$4,000	\$4,500	\$500	12.50%
32210	CREC Staff Development	\$2,720	\$2,720	\$2,672	-\$48	-1.76%
33300	CREC Consultants (T&L)	\$32,000	\$15,000	\$0	-\$15,000	-100.00%
33400	Lead Teacher Stipends	\$8,000	\$5,080	\$0	-\$5,080	-100.00%
43000	Maintenance & Repairs	\$5,000	\$3,500	\$5,000	\$1,500	42.86%
44100	Rent	\$160,000	\$160,000	\$160,000	\$0	0.00%
44200	Equipment Rental	\$9,108	\$7,608	\$7,608	\$0	0.00%
51900	Field Trip Transportation	\$2,000	\$2,000	\$2,000	\$0	0.00%
52100	Property Insurance	\$2,625	\$617	\$616	-\$1	-0.16%
52200	Liability Insurance	\$16,808	\$16,206	\$14,843	-\$1,363	-8.41%
53100	Postage	\$2,000	\$2,000	\$1,500	-\$500	-25.00%
53200	Telephone	\$1,500	\$1,500	\$1,500	\$0	0.00%
54000	Advertising	\$5,000	\$5,000	\$2,500	-\$2,500	-50.00%
55000	Printing	\$2,500	\$2,500	\$1,300	-\$1,200	-48.00%
55100	Copying	\$500	\$0	\$0	\$0	
58100	Travel: Auto, Consult, Conf	\$3,500	\$2,000	\$1,000	-\$1,000	-50.00%
59100	Workshop Expense	\$500	\$500	\$500	\$0	0.00%
59101	Parent Workshops			\$0	\$0	
59200	Other Purchased Services	\$8,500	\$7,500	\$16,000	\$8,500	113.33%
61100	Instructional Supplies	\$23,500	\$18,708	\$23,408	\$4,700	25.12%
61500	Medical Supplies	\$1,500	\$1,500	\$1,000	-\$500	-33.33%
61600	Office Supplies	\$2,500	\$2,500	\$2,500	\$0	0.00%
64100	Texts/Workbooks	\$10,000	\$2,000	\$10,000	\$8,000	400.00%
64200	Library Books	\$7,500	\$5,000	\$5,000	\$0	0.00%
64300	Computer Software	\$2,500	\$2,500	\$1,300	-\$1,200	-48.00%
73300	Equipment (over \$1000)	\$39,500	\$21,020	\$13,910	-\$7,110	-33.82%
73500	Equipment (under \$1000)			\$2,000	\$2,000	
81000	Dues & Fees	\$2,000	\$2,000	\$1,000	-\$1,000	-50.00%
		\$2,164,012	\$2,086,315	\$2,190,631	\$104,316	5.00%

→ cost.

Current EHGEMS Facility – Operations

The East Hartford-Glastonbury Elementary Magnet School is located in a 26,300 square foot wing of the Barnes Middle School built in the 1957 and located on May Road in East Hartford. As noted earlier it has current enrollment of 249 children; 135 from East Hartford and 114 from Glastonbury. Opened in 1991, the program was the first interdistrict magnet school to operate in the Greater Hartford area. As also noted previously, the program is the responsibility of the participating school districts: East Hartford and Glastonbury but management and staff is provided by Capitol Region Education Council (CREC).



The following represents the current budget and general revenue stream for the Current EGEMS in 2004-2005:

Expenses:

CREC Operations Budget	\$2,086,315
Cost per pupil (based on 258)	\$8,086

Revenue:

State Magnet School Contribution	\$5,302/per student
Participating Town Contribution	<u>\$2,000/per student</u>
	\$7,302

Balance: (\$784/student);
Shortfall filled with Federal Grants, Cutbacks and Fundraising.

Note: The State is expected to increase its Magnet School per pupil funding to \$6,250 this year and new legislation is being pushed to put in place a long term system for adjusting the state formula for contribution on a periodic basis.